

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of)	
)	MD Docket No. 12-201
Procedures for Assessment and Collection of)	
Regulatory Fees)	
)	
Assessment and Collection of Regulatory)	MD Docket No. 08-65
Fees for)	
Fiscal Year 2008)	

COMMENTS OF AMÉRICA MÓVIL, S.A.B. DE C.V.

América Móvil, S.A.B. de C.V., on behalf of its FCC-regulated subsidiaries (together, “América Móvil”), respectfully submits these comments in response to the Commission’s Notice of Proposed Rulemaking seeking comment on proposals to reform the Commission’s policies and procedures for assessing and collecting regulatory fees.¹ América Móvil commends the Commission’s goal of establishing a regulatory fee structure that is fair to all regulatees. Consistent with this goal, América Móvil urges the Commission not to unfairly and dramatically increase the regulatory fee burden on submarine cable licensees.²

¹ *Procedures for Assessment and Collection of Regulatory Fees; Assessment and Collection of Regulatory Fees for Fiscal Year 2008*, Notice of Proposed Rulemaking, FCC 12-77 (July 17, 2012) (“Notice”).

² Subsidiaries of América Móvil (Latam Telecommunications, LLC, Puerto Rico Telephone Company, Inc., and Claro Chile, S.A.), recently filed an application for a license to construct, land, and operate a fiber-optic submarine cable system, to be known as the América Móvil Submarine Cable System (“AMX1 System”), directly linking the continental United States, the Dominican Republic, Puerto Rico, Brazil, Colombia, Guatemala, and Mexico.² Upon authorization from the Commission, América Móvil intends to complete construction of the submarine cable and initiate service in August 2013. At that time, América Móvil’s subsidiaries will become subject to submarine cable regulatory fees.

The *Notice* seeks comment on increasing the percentage of fees allocated to payors in the International Bureau, including submarine cable licensees, from 6.7 percent to 22.0 percent.³ América Móvil respectfully submits that such a dramatic increase in submarine cable regulatory fees is inconsistent with the streamlining of submarine cable regulation that has occurred since 1998. While no increase in regulatory fees for submarine cable licensees would be appropriate based on this declining regulation, at a minimum the Commission must recognize that a significant number of the full-time equivalent employees (“FTEs”) of the International Bureau are engaged in activities that benefit licensees regulated by other Bureaus. América Móvil urges the Commission to fairly allocate the International Bureau’s regulatory costs to all Commission licensees affected by this work.

I. INCREASING SUBMARINE CABLE REGULATORY FEES IS INCONSISTENT WITH FCC ACTIONS STREAMLINING SUBMARINE CABLE REGULATION.

The Commission’s proposal to dramatically increase regulatory fees for submarine cable licensees appears inconsistent with actions the agency has taken to reduce regulatory oversight of these licensees. In fact, since 1998, when the current regulatory fee structure was established,⁴ the Commission has adopted procedures intended to minimize regulatory oversight of submarine cables. In analyzing a revised regulatory fee structure, América Móvil urges the Commission to consider this reduced regulatory oversight of submarine cables in assessing the appropriate regulatory fee burden for these licensees.

In 2001, the Commission approved streamlined submarine cable landing license procedures that required “minimal regulatory oversight and delay, saving time and resources for

³ *Notice* at ¶ 25.

⁴ *Id.* at ¶ 2.

both industry and government.”⁵ For example, the FCC streamlined the processing of applications, limited required submarine cable licensees to entities that own or control a landing station in the U.S. or hold a 5% or greater interest in the cable and use the U.S. points of the cable system, and permitted post-transaction notification for *pro forma* assignments and transfers of control.⁶ As a result of these modified procedures, licensees have reduced regulatory burdens. More significantly for regulatory fee purposes, International Bureau staff should now allocate less time to the regulation of submarine cable licensees.

Further, América Móvil urges the Commission to consider how a dramatic increase in regulatory fees for submarine cable licensees could affect consumers. One of the Commission’s goals in adopting the *Submarine Cable Streamlining Order* was to decrease the costs of deploying submarine cables “to the ultimate benefit of U.S. consumers.”⁷ This goal would clearly be thwarted by a decision to increase the regulatory fees for submarine cable licensees to over three times their current level. As the Commission is aware, construction and operation of a submarine cable is an immense financial burden. Greatly increasing the annual regulatory fees will only augment this financial burden, potentially increasing the cost of services provided over those facilities.

II. ANY REALLOCATION OF REGULATORY FEES MUST FAIRLY ALLOCATE FTE COSTS AMONG COMMISSION LICENSEES.

América Móvil supports the Commission’s goal in this proceeding to “examine how best to address in a fair and equitable manner any significant shifts.”⁸ Consistent with that goal, the Commission must recognize that a significant number of the International Bureau’s FTEs are

⁵ *Review of Commission Consideration of Applications under the Cable Landing License Act*, Report and Order, 16 FCC Rcd 22167, ¶ 1 (2001) (“*Submarine Cable Streamlining Order*”).

⁶ *Id.* at ¶ 2.

⁷ *Id.* at ¶ 1.

⁸ *Notice* at ¶ 12.

engaged in activities that benefit licensees regulated by other Bureaus. América Móvil urges the Commission to fairly allocate the International Bureau's regulatory costs to all Commission licensees affected by the work done by International Bureau FTEs.

The *Notice* states that, if regulatory fees were reallocated based strictly on 2012 FTEs in each of the four licensing bureaus, International Bureau regulatees would experience a dramatic increase in their annual regulatory fees.⁹ Under this approach, instead of being responsible for 6.7 percent of the fees collected, International Bureau regulatees would be responsible for 22.0 percent.¹⁰ This is more than a three-fold increase, which could impose substantial burdens on International Bureau licensees, including submarine cable licensees.

Significantly, the *Notice* also specifically recognizes that section 9(b)(1)(A) of the Communications Act¹¹ allows the Commission to adjust regulatory fees “to take into account factors that are reasonably related to the benefits provided the payor of the fee by the Commission’s activities, including such factors as service area coverage, shared use versus exclusive use, and other factors that the Commission determines to be in the public interest.”¹² The Commission should utilize that adjustment authority here. At a minimum,¹³ the Commission must adjust any FTE allocation to acknowledge that many of the International Bureau’s FTEs engage in activities that benefit licensees in the other licensing bureaus. Indeed,

⁹ *Id.* at ¶ 26 (“We seek comment on whether the projected increase in fees for International Bureau regulatees would be consistent with our goals of fairness and sustainability.”)

¹⁰ *Id.* at ¶ 25.

¹¹ 47 U.S.C. § 159(b)(1)(A).

¹² *Notice* at ¶ 30.

¹³ As noted in the prior section, the Commission should also take into account the decreased regulation to which submarine cable licensees are now subject and the resulting reduction in time International Bureau staff should now allocate to overseeing these regulatees.

the International Bureau has estimated that as much as one half of the FTEs in the Bureau work on matters covering services other than international services.¹⁴

For example, a good deal of the work done by International Bureau staff concerns the international allocation of spectrum or treatment of services that do not at all affect submarine cable licensees.

- The *Notice* itself notes that the Strategic Analysis and Negotiations Division of the International Bureau “has primary responsibility for leading the Commission’s international representation in bilateral meetings, multilateral meetings, and cross-border spectrum negotiations with Canada and Mexico on spectrum sharing arrangements, and notifications to the International Telecommunications Union (ITU), as well as participation in ITU Study Groups. Though focused on the international community, this international work covers the entire gamut of the Commission’s regulatory responsibilities.”¹⁵
- In June 2012, International Bureau staff helped successfully concluded the Twelfth Meeting of the United States-Mexico High Level Consultative Commission on Telecommunications (HLCC).¹⁶ For wireless licensees, the agreement considered spectrum issues, including reconfiguration of the 800 MHz land mobile band, new service applications in the 700 MHz band, and expansion of the amount of spectrum available for wireless broadband services. On behalf of broadcasters, the Agreement discussed the need to foster Digital Terrestrial Television services and to discuss the possible spectrum repurposing within the television bands.
- In June 2011, the International Bureau recently released its second *International Broadband Data Report*, presenting comparative data on international broadband capability.¹⁷ Preparation of the report required staff to gather data on broadband service plans and pricing in 38 countries.

¹⁴ *Id.* at ¶ 27.

¹⁵ *Notice* at ¶ 26.

¹⁶ United States-Mexico High Level Consultative Commission on Telecommunications, Twelfth Meeting, Washington, D.C., Joint Statement (June 8, 2012), available at <http://transition.fcc.gov/bureaus/ib/sand/agree/files/jointstatement.pdf>.

¹⁷ *In the Matter of International Comparison Requirements Pursuant to the Broadband Data Improvement Act International Broadband Data Report*, Second Report, DA 11-732 (May 20, 2011).

Moreover, in the past year, the International Bureau has undertaken a major proceeding to review the Commission's treatment of foreign ownership under Section 310(b) of the Communications Act. Because submarine cable licensees do not hold radio station licenses, the foreign ownership limitations required by Section 310(b) are not applicable to them.¹⁸ Making International Bureau regulatees such as submarine cable licensees solely responsible for the regulatory fee burden associated with this large proceeding that affects only licensees regulated by other bureaus is inconsistent with the Commission's fairness goal.

III. CONCLUSION.

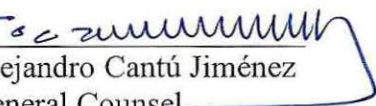
For these reasons, América Móvil urges the Commission to apply fairness in developing a new regulatory fee structure, particularly as it pertains to the fees imposed on submarine cable licensees. Any substantial increase in annual regulatory fees for submarine cable licensees would be inconsistent with the streamlining of submarine cable regulation that has occurred since 1998 and the resulting reduction in time International Bureau staff should now allocate to overseeing these regulatees. At a minimum, the Commission must adjust any FTE allocation to acknowledge that many of the International Bureau's FTEs engage in activities that benefit licensees in the other licensing bureaus.

¹⁸ 47 U.S.C. § 310(b). *International Bureau Seeks Further Comment on Foreign Ownership Policies, Forbearance from Section 310(b)(3) for Common Carrier Licensees*, Public Notice, IB Docket No. 11-133, Public Notice, DA 12-573 (Apr. 11, 2012); *In the Matter of Review of Foreign Ownership Policies for Common Carrier and Aeronautical Radio Licensees under Section 310(b)(4) of the Communications Act of 1934, as Amended*, Notice of Proposed Rulemaking, 26 FCC Rcd 11703 (2011).

Respectfully submitted,

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September 17, 2012